Anniversary ceremonies start Sept. 16

GM looks at 75 years of progress

DETROIT. — Consistent with its anniversary theme, "Building on 75 Years of Excellence," General Motors this fall will remember its past success and those who contributed to it.

But the primary focus of the celebration, GM said, will be on how even greater success can be achieved in the future.

Ceremonies marking the start of GM's 75th Anniversary celebration will be at noon, Friday, Sept. 16, at the corporation's world headquarters here. Open houses at 136 GM plants and operations in the U. S. and Canada will follow Sept. 17-24. In addition, five "Up With People" casts will tour 50 cities this fall to give some 170 performances for GM employes.

On Sept. 16, AUTOMOTIVE NEWS will publish a special issue commemorating this GM milestone. The GM 75th Anniversary Issue will chronicle the corporation's activities since 1908.

As another part of GM's anniversary celebration, a 224-page pictorial history of the company has been prepared in cooperation with Automobile Quarterly. With 650,000 copies being printed, the book will be sent to all North American employes as well as overseas managers.

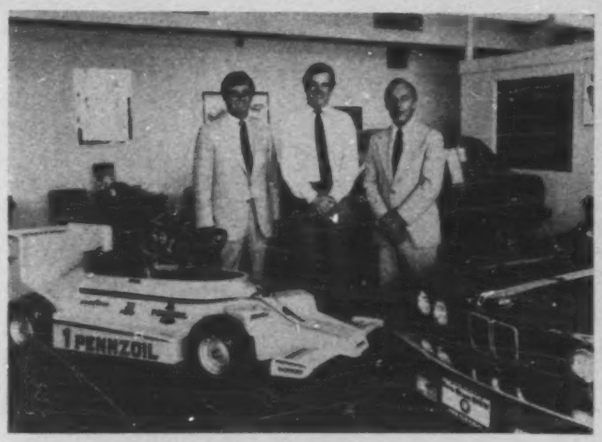
To round out the celebration, GM and its divisions will be the sole sponsors of an eight-hour CBS-TV special in April on the life of George Washington.

In a joint statement, Chairman Roger B. Smith and President F. James McDonald said:

"From its founding on Sept. 16, 1908, as a loose grouping of largely unproven and under-financed firms, GM has grown to become the world's most successful automotive manufacturer. It is entirely fitting that we now look back at the events and the people who contributed to our company's success—and, indeed, its very survival—over 75 years.

"But we would not be true to the legacy that has been left us if we looked only backward at this time. The future is where we must make our marks, and as we celebrate the past, we will also be rededicating ourselves to the achievement of excellence in the years ahead, so that we can continue to see this great company grow and prosper around the globe."

In an article looking ahead to GM's 100th Anniversary in 2008, Smith left no doubt that he is confident GM will increase its success. He said that sometime in the mid-'90s, North American new-car and truck sales will reach 20 million for the first time, while worldwide car and truck sales will reach 60 million, with GM strengthening its position as the No. 1 producer in the world.



Autrey wins mini-racer

Bob Autrey, center, owner of Long Beach BMW, won a mini version of the Pennzoil-Penske Indy Car at the Southern California Motor Car Dealers Assn. Business Conference in Palm Springs. Presenting the 3-HP vehicle to Autrey are Pennzoil's Jim Hayes, left, Los Angeles branch manager, and Gene Johnson, Los Angeles division manager.

PPG, auto glass supplier, marks 100th anniversary

PITTSBURGH. — PPG Industries celebrated its centennial last Wednesday (Aug. 24).

The firm, originally named Pittsburgh Plate Glass Co., became one of the nation's first commercially successful makers of polished plate glass.

Today, the company, called PPG since 1968, is a supplier of original equipment automotive glass, consumer paints and chemicals.

However, in 1883, an uncertain time to form a new major manufacturing concern, the company's role in industrial America was yet to be seen.

John B. Ford produced the first American polished plate glass in commercial quantities in 1867, PPG said, but he was unable to make this a lasting business success. In 1881, he found backers and New York City Plate Glass Co. was incorporated.

It became apparent that it would be more efficient to operate the business as a Pennsylvania corporation based in the Pittsburgh area. New investors were found there, Pittsburgh Plate Glass was incorporated and New York City Plate Glass was dissolved.

Within 12 years, the company was the largest glass firm in the U.S., having built or acquired nine plants.

At the turn of the century, Pittsburgh Plate Glass entered the chemical and paint businesses.

Later, the company developed new technology that made the plate glass process more efficient and provided a new process for making thinner window glass by the sheet process. It also developed safety glass products for automobiles and buildings.

Today, PPG makes a wide range of glass, coating, chemical and fiberglass products at 90 locations worldwide—57 of which are in the U.S.

The company has about 37,000 employes worldwide and had sales of $3.3 billion in 1982, ranking the company 118th on the Fortune 500 list of American industrial firms, PPG said.

As PPG marks its centennial, it is moving into new world headquarters here, half a block from the site of the company's 1883 office.

NHTSA permits more ways of marking convex mirrors

WASHINGTON. — NHTSA will permit additional methods of marking right-hand convex mirrors permanently, but it will not permit their use without warning because of American drivers' inexperience with the convex surface which affects distance perception.

The changes in Safety Standard 111 are effective immediately.

Currently, the convex outside mirror on the passenger side has "indelibly etched" on it: "Objects in Mirror Are Closer Than They Appear." In addition, the maximum allowable curvature is specified.

Toyota petitioned NHTSA to allow other methods of permanent warning, such as sandblasting or glass-based ink for the back side of the mirror glass, to ease the compliance burden of different mirrors for different markets.

NHTSA agreed, but noted that exterior-surface painting or using a plastic decal, either of which could be removed or become illegible, would not be acceptable.

Volkswagen of America wanted both the labeling and the maximum radius requirements to be deleted. The curvature mandate, said VWoA, is in effect a trade barrier since there is no maximum in Europe. Moreover, the large-radius convex mirrors closely resemble plane mirrors and therefore present no safety concerns, VWoA said.

NHTSA rejected VWoA's arguments on grounds of American drivers' inexperience with convex mirrors.

Tidewater dealer group elects Compton president

NORFOLK. — John C. Compton Jr., Green Gifford Motor Corp. (Chrysler-Plymouth), has been elected president of the Tidewater Automobile Dealers Assn. He succeeds Bob Roughton Jr., Roughton Pontiac.

Other new officers are Buster Perry, Perry Buick Co., vice president; Bill Sheppard, Greenbriar Chrysler-Plymouth-AMC, secretary, and Bill Thompson, treasurer. The association includes dealers in the Eastern Virginia cities of Norfolk, Portsmouth, Virginia Beach and Chesapeake.

Can a car built in Britain be 40 pct. Japanese?

TOKYO. — The Ministry of International Trade & Industry is concerned over French moves to restrict imports of the Triumph Acclaim, according to the Japan Economic Journal.

The Acclaim is produced jointly in Britain by BL, Ltd., and Honda Motor Co. It was certified last year as a European car by the EEC.

France reportedly will view 40 percent of the Acclaim as Japanese-made and will place it within the 3-percent market ceiling it applies to Japanese imports.

Should the French move be authorized, MITI fears that similar industrial cooperation projects in Europe will be endangered.

MITI, after conferring with Honda and exploring the French situation through diplomatic channels, may lodge a formal protest with the French Government.

TV spending by auto leaders rises 16 pct. for first half

By Joseph Bohn
Marketing Editor

TV ad spending by nine leading automotive firms increased 16.1 percent in the first half of 1983, with the increases coming mostly from network spending.

Ford Motor Co., because of heavy new product introductions, outspent General Motors, according to Broadcast Advertisers Reports data compiled by the Television Advertising Bureau.

As a group, the auto companies spent $415,872,700 to advertise in TV compared with $358,068,600 last year.

Network ad outlays were up 23.3 percent, with companies spending $309,450,500 against $251,080,800 in the first half of 1982.

Spot advertising remained flat at $106,422,200 compared with $106,987,800 last year.

Ford Motor outspent GM both in network and spot dollars, a temporary phenomenon, due to the introduction of such cars as Thunderbird/Cougar and Tempo/Topaz.

In total, Ford spent $113,111,400, up 53.5 percent from last year.

GM, on the other hand, spent $91,102,600, compared with $83,845,300 last year.

Among the interesting changes was a sharp increase in network spending by American Motors which, at $27,240,700, more than doubled the $12,388,700 of the first half of 1982.

AMC took some of the money out of spot TV—which dropped to $3,941,500 from $10,356,800—to subsidize the heavy network expenditures.

Ford Motor, American Honda and Nissan Motor all recorded fairly heavy increases in spot TV spending.

In total, Chrysler's TV ad spending dropped to $46,534,700 million from $47,241,100 million. Chrysler, along with Volkswagen and Mazda, were the only three firms to show a significant decrease in overall TV spending.

Full-size cars bring top dollar on used market

ROCHESTER, Wis. — Now is the time to sell full-size cars and receive top dollar for them on the used-car market, according to Runzheimer Reports on Transportation, an industry newsletter.

Based on interviews with used-car professionals at major leasing companies and auto auctions, Runzheimer editors pinpointed today's trends in the used-car market.

The findings included:

1. Full-size cars are receiving premium prices on the used-car market because new and used large cars are scarce and in demand.

2. Front-wheel drive on used domestic cars is making many buyers hesitant.

3. Used domestic diesels are still in a tailspin—some outlets are pulling the diesel engine and dropping in a gasoline engine to get rid of the cars.

4. Accessories continue to enhance used-car value.

Used-car professionals quoted in the report predicted the strong used-car market would last through this fall.

TV Advertising
(In thousands of dollars)

	January-June, 1983			January-June, 1982		
	Spot	Network	Total	Spot	Network	Total
Ford Motor	19,230.1	93,881.3	113,111.4	10,885.0	62,792.2	73,677.2
General Motors	12,687.3	78,415.3	91,102.6	11,524.2	72,321.1	83,845.3
Chrysler Corp.	9,406.1	37,128.6	46,534.7	12,729.7	34,511.4	47,241.1
Nissan Motor	22,091.2	13,168.0	35,259.2	17,534.1	11,422.3	28,956.4
Toyota Motor	20,973.6	9,172.0	30,145.6	21,341.4	9,212.0	30,553.4
Volkswagen	7,225.3	9,909.9	17,135.2	10,149.9	11,523.8	21,673.7
American Motors	3,941.5	27,240.7	31,182.2	10,356.8	12,388.7	22,745.5
Honda	9,380.5	24,938.9	34,319.4	6,532.6	22,067.6	28,600.2
Mazda	1,486.6	15,595.8	17,082.4	5,934.1	14,841.7	20,775.8
TOTAL	106,422.2	309,450.5	415,872.7	106,987.8	251,080.8	358,068.6

Compiled by Television Advertising Bureau from Broadcast Advertisers Reports.

The result: More outsourcing

Low-pay jobs rejected at GM unit

By Marjorie Sorge
Labor Editor

Workers at the General Motors Packard Electric Division in Warren, O., have rejected a controversial contract which would have added 200 low-paying jobs to the operation.

The rejection of that contract will not only eliminate those additional jobs but will result in GM outsourcing certain final assembly work for automotive wiring harnesses to outside suppliers or to GM's Mexican operations.

Members of Local 717 of the International Union of Electrical Workers rejected the new contract by a vote of 5,301 to 2,084 last week.

Had the contract been approved, GM would have been able to hire the 200 new workers for about $6 an hour, $4.50 in wages and $1.50 in benefits. Current Packard workers make about $19 an hour in wages and benefits.

According to Elmer Reese, general manager, Packard's competitors are paying less than $2 an hour for similar work outside the U.S. He said reports show that Packard could be competitive paying $6 an hour and keeping the jobs in Warren, where there is a 17 percent unemployment rate.

The $6 an hour wage plan would have applied only to new employes; those already on the payroll would continue to make the current wages, a Packard spokesman said.

According to Ed Fire, president of the IUE, the contract was defeated because the workers considered it a threat. He said there was a "tremendous fear among the employes that they could be forced to work in the low-wage plant or lose their jobs entirely at Packard and General Motors."

A second reason was that GM has returned to prosperity and the workers felt they had made their sacrifice in the concessions contracts of 1982, he said.

The new concept was called the Final Assembly Option (FAO) which Reese said is "unique in American industrial relations."

• "The Warren package provided for Packard Electric to improve its competitive position," Reese said. "It also provided job opportunities for the people of Warren. It guaranteed that the current workforce in Warren would not be asked to work for lower wages and benefits and most important of all it provided the opportunity for our workers to significantly increase their job security.

"Nowhere in American industry has any workforce that we know of ever been offered such an opportunity, the opportunity to grow into 100 percent job security by working with their union leadership, and their management."

Last year the Packard Warren facility was picked as one of five GM plants which will be used for an experimental lifetime job security program. The program provides lifetime job security for 80 percent of the workforce. There are 9,100 hourly workers at the facility.

Under the package, the higher-paid workers were offered alternatives. They could retire through buyouts or changes in the pension plans. Workers in the protected 80-percent group who chose to retire would be replaced by those in the 20 percent group.

According to Richard K. Huber, director of personnel and public relations, the rejection of the FAO "may also hinder the opportunity for the pilot employment guarantee project to be extended to the Warren workforce beyond the September, 1984, expiration date."

Fire said he sees no problem with the pilot project even though the contract was rejected. He said he believes there is a record of cooperation between the local union and management which will continue.

Sporty T-bird

Thunderbird owners can give their cars the look of a convertible with the help of a Simulated Convertible Kit from E&G Classics, Inc., Columbia, Md.

Sales continue to advance with 161,000 in mid-month

By Jenny L. King
Staff Writer

Domestic new-car sales continued their climb out of the 3½-year recession with a 21.72-percent increase for the mid-August period.

It was the ninth consecutive reporting period in which sales improved over year-ago levels and the 19th improved period out of 23 for the calendar year.

Dealers retailed 161,104 new domestics Aug 11-20, up 21.72 percent from 132,356 in 1982. This year's total, however, fell short of 1981's 204,678 and the 170,765 reported in 1980. Record for the period was 242,865, set in 1979.

Year-to-date sales of 4,251,683 were up 17.77 percent from 3,610,221 in 1982.

Annualized sales for 1983 based on the Aug. 11-20 performance were 6,117,000. The mid-August daily-selling rate averaged 17,900, up 21.72 percent from 14,706 the preceding year. There were nine selling days this year and last.

General Motors' mid-month sales of 96,720 were up 18.53 percent from 81,597 last year. Ford Motor Co. reported sales of 36,769 new cars, up 23.65 percent from 29,736. Chrysler Corp. was up 19.15 percent, to 19,174 from 16,092. American Motors reported an estimated sales total of 4,300 units, up 72.00 percent from its year-ago 2,500.

Volkswagen again slipped below its 1982 mark, down 15.71 percent, to 2,049 from 2,431. Honda topped VW with 1983 sales of 2,092 in mid-August.

• GM's share of the domestic market was 60.04 percent, down from 61.65 percent last year. Ford sales accounted for 22.82 percent, up from 22.46 percent. Chrysler earned 11.90 percent, down from 12.16 percent.

AMC climbed to 2.67 percent from 1.89 percent of the market. VW had 1.27 percent, down from 1.84 percent, and Honda won the remaining 1.30 percent of the current mid-month market, with no sales and no share a year earlier.

Of the Chrysler Corp. makes, three were up with Plymouth missing its year-ago sales level by 5.16 percent. Chrysler was up 57.88 percent, Dodge was up 15.60 percent, and sales of remaining Imperials jumped 76.92 percent, to 46 units from 26 a year earlier.

At Ford Motor Co., Ford was up 26.07 percent, Mercury was up 9.84 percent and Lincoln was up 69.37 percent.

In the GM family, Buick was up 35.04 percent, Cadillac was up 7.05 percent, Oldsmobile was up 28.66 percent, Chevrolet was up 0.45 percent and Pontiac was up 33.63 percent.

AMC products dropped 64.00 percent in mid-August, VW Rabbits were down 15.71 percent, and Renault Alliance and Honda Accord had no year-ago sales for comparison purposes.

DOMESTIC SALES

	Aug. 11-20, 1983	Aug. 11-20, 1982
Renault		
Alliance	3,400†	—
AMC	900†	2,500†
AMERICAN MOTORS	4,300†	2,500†
Chrysler	6,718	4,255
Imperial	46	26
Plymouth	5,580	5,989
Dodge	6,730	5,822
CHRYSLER CORP.	19,174	16,092
Ford	23,739	18,830
Mercury	10,039	9,140
Lincoln	2,991	1,766
FORD MOTOR	36,769	29,736
Buick	22,879	16,943
Cadillac	7,292	6,812
Chevrolet	29,894	29,761
Oldsmobile	22,538	17,517
Pontiac	14,117	10,584
GENERAL MOTORS	96,720	81,597
VOLKSWAGEN	2,049	2,431
HONDA	2,092	—
U.S. INDUSTRY TOTAL	161,104	132,356

† Estimate.

News roundup

MITI's Uno expected to visit U. S.

TOKYO. — International Trade and Industry Minister Sosuke Uno probably will visit the U. S. this fall after a quadrilateral trade conference in Canada, ministry officials said. Auto exports from Japan to the U. S. are expected to be a key issue. Uno's recent remark that the three-year auto export restraint would not be extended caused strong reaction in the U. S. Uno said later there is plenty of time for both sides to discuss the issue before next March, when the current export lid expires.

Lotus approves purchases of its shares

NORWICH, England.—At an extraordinary meeting following Lotus' annual meeting here, the purchases of Lotus shares by British Car Auctions and Toyota Motor Corp. was approved. Kiyoshi Matsumoto, a senior managing director of Toyota, joined the Lotus board.

Workers oppose Nissan move into Britain

TOKYO.—Nissan Motor Co.'s labor union has urged management to call off a long-stalled plan to build an assembly plant in Britain. The union claimed the multimillion-dollar project is highly risky and could threaten the jobs of its member workers. Union leaders said a Nissan plant in Britain would operate at a loss for a long period. Nissan declined comment on the union's written presentation.

Delaware asks early repayment from Chrysler

DOVER, Del.—Noting Chrysler Corp.'s improved financial position, the General Assembly has asked Chrysler to set a date for early repayment of $5 million the state loaned Chrysler in 1980. Chrysler has been paying 15.5 percent annual interest and is scheduled to begin principal payments in semi-annual installments of $227,000 in 1984. The state wants Chrysler to set a date for early lump-sum repayment and it wants the date announced before Sept. 19. A Chrysler spokesman said the request is "under consideration."

Chinese tires on way to U. S.

CITY OF INDUSTRY, Calif.—Mainland China plans to ship the first of possibly several hundred thousand passenger-car tires to the U. S. shortly. Topac International Trading Co. made an agreement with China National Chemicals Import & Export Corp. to sell 5,284 "Warrior" brand steel-belted radials and 5,000 "Warrior" snow tires in the U. S. Topac said it anticipated importing "at least several hundred thousand" Chinese tires.

Chrysler beefs up car production

HIGHLAND PARK, Mich.—Clarifying a report that appeared in the Aug. 22 issue of Automotive News, Chrysler Corp. said it will produce 50,000 more 1984-model cars from the start of the model year through Oct. 31 than the number of '83 model cars which it assembled in the same year-ago period. In October alone, Chrysler plans to build 102,000 cars in the U. S.—31,000 more than it completed during that month last year in the U. S. and Canada.

Nissan prunes Pulsar lineup

CARSON, Calif.—Nissan's Pulsar hatchback, introduced last fall as a replacement for the Datsun 310, is being dropped from the line for 1984, according to company officials. The Pulsar NX coupe, which accounts for 80 percent of the series' sales, will continue to be sold.

AMC plans new car for 1985 introduction

CHICAGO. — American Motors will build a "derivative vehicle" of the Renault Alliance and Encore at its Kenosha plant next spring or summer for a fall 1985 introduction, Chairman Paul Tippett told a press conference in Chicago. The vehicle will be a total AMC production, he said.

Chrysler Engineering Institute revived

HIGHLAND PARK, Mich.—Following a three-year hiatus, Chrysler's Institute of Engineering is back in the business of helping engineering school graduates earn their masters' degrees through its work-study program. Ten new students have spent the summer in hands-on classes learning automotive repairs at the MoTech facility in Livonia. This fall they begin classroom studies at local universities and are employed by Chrysler simultaneously. The Institute was temporarily dropped in 1980 when Chrysler was in severe financial difficulties.

FBI pursues $17-million mystery

DeLorean woes grow with lawsuits, probe

By Edward Lapham
Senior Editor

DETROIT. — Former auto maker John Z. DeLorean's problems multiplied last week as the result of new lawsuits and a mounting criminal investigation by the FBI.

The U. S. Attorney's office here last week continued to process the necessary paper work to impanel a grand jury and launch the federal task force headed by Assistant U. S. Attorney Martin Reisig.

The FBI also stepped up its portion of the investigation, which currently is focusing on the mystery of the $17.65 million which disappeared from the DeLorean sports-car project in 1978. The FBI is trying to build a case based on "the interstate transport of stolen money," AUTOMOTIVE NEWS sources said.

Meanwhile in federal court in Miami, a group of former investors in the ill-fated DeLorean project filed a $396-million class-action lawsuit against DeLorean, his bankrupt car company, New York investment banker Oppenheimer & Co. and several Oppenheimer officials.

The suit charged the defendants made several misrepresentations in order to bilk the investors of more than $18 million in 1978.

The investors, who formed the DeLorean Research Limited Partnership, were assembled by Oppenheimer in 1978.

The suit, filed by Miami law firm Sams, Gerstein, Ward, Newman & Beckham, claims the money raised by the partnership was supposed to have been used for research and development but instead was paid to GPD Services, Inc., a Panamanian-registered Swiss company.

"Sometime in the fall of 1978, John Z. DeLorean and other persons as yet unknown converted the DRLP proceeds for their own personal use, benefit and gain by causing said proceeds to be paid to GPD Services, Inc., and then to themselves, under the false pretext that the DRLP proceeds would be void by GPD Services, Inc., for its DMC-12," the suit said.

Oppenheimer began soliciting investors with a private placement memorandum in early 1978 when it looked like the DeLorean sports-car project would be located in Puerto Rico.

It was later amended when DeLorean was to close a deal to take his factory to the Republic of Ireland and amended again when he finally decided to accept a deal to build his plant in Northern Ireland.

The partnership raised $18.7 million, $12.5 million of which was included in the missing $17.65 million.

The suit charges that subcontracting the development work to Lotus Cars through GPD materially changed the investment risks and that the 132 limited partners who invested $150,000 each should have been informed of the subcontracting deal.

The firm said it now has proxies from 90 of the 132 partners. It has called a Sept. 13 meeting in New York to discuss waiving the client-attorney privilege with Geneva attorney Jacques Wittmer.

This action would allow Wittmer to discuss with U. S. investigators details surrounding the 1978 disappearance of $17.65 million from the DeLorean project. Wittmer represented DRLP and DeLorean Motor Co. in the transactions with GPD.

• In a separate action in federal court in New York last week, the unsecured creditors committee of bankrupt DMC sought and received an order from Judge Mary Johnson Lowe attaching a portion of the proceeds from the planned $4.2-million sale of DeLorean's Manhattan co-op apartment.

The order also restrained DeLorean from selling or mortgaging his Bedminster (N. J.) farm and his Bridgewater (N. J.) property, which he acquired and leased back to DMC.

Earlier, the creditors committee got an order in bankruptcy court in Detroit placing in escrow any receipts from a sale of DeLorean's Utah-based Logan Mfg. Co. The court order last week effectively tied up the remainder of DeLorean's major assets in the U. S.

Two weeks ago one creditor, Audio Systems, Inc., received an order attaching up to $1.3 million of any receipts from the sale of the Manhattan apartment. DeLorean was forced to pledge his Pauma Valley (Calif.) ranch as collateral for his bail in the Los Angeles federal drug-trafficking case.

Victory L-M opens

COLUMBUS, Ga.—Barney A. Smith Jr. and Daniel R. Snow have opened Victory Lincoln-Mercury, Inc., here. Smith also owns Barney A. Smith Lincoln-Mercury, Inc., in Macon, Ga.

DeLorean judge requests data from U. S. agencies

By Matt DeLorenzo
Los Angeles Reporter

LOS ANGELES.—A U. S. District Court judge here issued 51 orders for documents from various government agencies involved in the drug-trafficking case against John Z. DeLorean.

Judge Robert M. Tagasuki wants to inspect the documents from the agencies that include the Drug Enforcement Agency, Central Intelligence Agency, the Pentagon's Defense Intelligence Agency and the National Security Council.

DeLorean's attorneys have filed motions that allege a government conspiracy to entrap and convict their client at the behest of the British Government because DeLorean's Northern Ireland car factory was a political embarrassment.

Assistant U. S. Attorney James M. Walsh, the government's prosecutor, has filed a document with the court asking Tagasuki to reconsider his order.

Walsh told the court that if the government complies with the request, it could push the trial date back perhaps a year because it would take that long to gather the documents the judge wants to see.

DeLorean's trial, which already has been delayed several times, is scheduled for Oct. 4.

• In an unrelated matter, more court documents were released including a DEA report that alleges that DeLorean was at first seeking to invest $2 million in a heroin deal and turned to cocaine only after government agents produced a cocaine dealer — William M. Hetrick, who has already pleaded guilty to drug-trafficking charges.

Used Car Sales

Auction Averages

August	$5,159
Month ago	$5,172
Year ago	$4,910

Model breakdown

Auction Averages

	AUGUST	JULY	JUNE
1983	$10,166	$11,178	$10,012
1982	7,702	7,622	8,078
1981	6,158	6,184	6,142
1980	5,129	5,281	4,906
1979	4,577	4,529	4,644
1978	3,579	3,353	3,475
1977	2,781	2,645	2,779
1976	1,926	2,113	1,877
Overall Average	$ 5,159	$ 5,172	$ 5,138

Six U. S. groups team for exhibit at 84 Automechanika

FRANKFURT, West Germany. Six U.S. automotive aftermarket trade associations have banded together to produce an exhibit at Automechanika which will be held here Sept. 11-16, 1984.

The exhibit will be the American Pavilion, and the six groups are operating as the Automotive Products Export Council.

The six associations are the Automotive Parts and Accessories Assn., the Automotive Service Industry Assn., the Hand Tool Institute, the Overseas Automotive Club, the Specialty Equipment Market Assn. and the Truck Body and Equipment Assn.

Their effort will be managed by Hall-Erickson, Inc. Hub Ericksen Jr. said the American Pavilion will be an "actual show within a show" produced by the six associations which are working together for the benefit of the entire industry.

"To exhibit," Erickson said, "it is not necessary for a manufacturer to be a member of one of the six associations. Each exhibitor will receive equal treatment."

obituaries

Louis A. Riccio

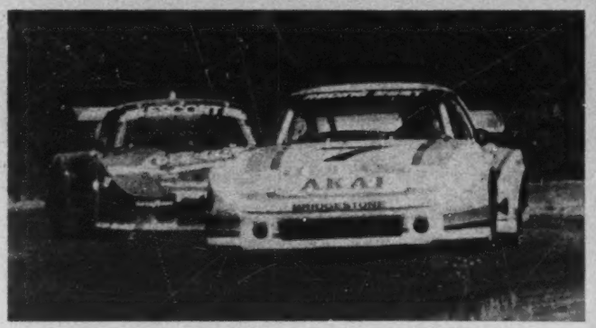
JERSEY CITY. — Louis A. Riccio, owner of Rick's Datsun, died July 26. He had been a new-car and used-car dealer in Jersey City for 51 years and had been a Datsun dealer for 25 years.

Orren (Bud) Hulett

DETROIT.—Orren (Bud) Hulett, 69, owner and president of National Auto Glass Specifications, Inc., since 1952, died Aug. 7. He developed the NAGS numbering system used in auto glass replacement.

G. N. (Jerry) Waddell

SALINA, Kans.—G. N. (Jerry) Waddell, 84, a past president of the Kansas Motor Car Dealers Assn., died Aug. 11. He had retired from his Ford dealership here in 1977. He was a director of the Kansas State Chamber of Commerce and a member of the Governor's Economic Development Committee. He was known as "Mr. Salina" because of his interest in local civic affairs.



Mazda third at Mosport

John Morton and Rick Knoop drove the Racing Beat Mazda RX-7 to victory in the International Motor Sports Assn. GTO class at the Mosport (Canada) 6-hour endurance race. The rotary-powered sports car was the fastest production-based car and finished third overall.

5/50 Honda warranty urged on rust, head gasket issues

WASHINGTON.—The Center for Auto Safety is urging Honda to institute a 5/50 warranty to cover all models through 1980 for head gasket and rust problems with direct notification to all owners.

The center said it is doing this because it is now receiving more complaints against Honda than any other Japanese company even though Nissan and Toyota have sold 30 to 50 percent more vehicles than Honda during the past five years.

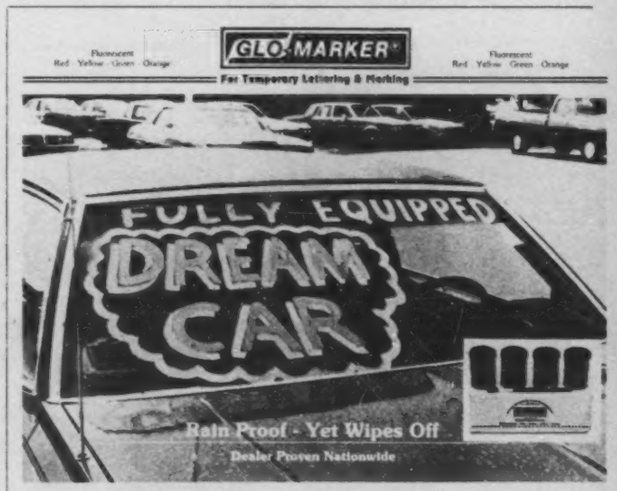
Despite Honda's recall of its '75-'78 models in salt-belt states for premature rust and its recall of '76-'77 models for head gasket failure, the center said, "Honda only removed the symptom, not the disease." It adds that since January, 1982, it has received more than 600 complaints about these continuing problems.

The 395 letters on rust deal both with the '75-'78 models, where some owners claim the company refused to repair their cars, and with 1979 and later models where, according to the safety center, "rust erupts like cancerous sores shortly after the three-year warranty expires."

The center has also received reports of more than 200 complaints of head gasket failure and excess oil consumption.

This "very serious and costly" problem, the center said, can lead to engine failure and "repair bills of $2,000 or more," yet the replacement heads are still the subject of complaints. One letter cited by the center is from a New York woman who has experienced failure of three head gaskets.

Finally, said the center, these problems are compounded because of inadequate service from Honda dealers and this combined with Honda's own failure to continue correcting defects is now putting Honda's reputation in "serious jeopardy."



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3 GM plants back on the job

Auto output rebounds to 138,621

By Mary Beth Mayer
Staff Writer

The domestic auto makers estimated last week's production at 138,621, a 31.57 percent increase over the previous week's 105,365, and 44.75 percent over 95,772 built in the year-ago period.

So far this year, there have been 4,193,350 cars assembled, up 22.28 percent from 3,429,513 units finished in the year-ago period.

Breakdown for last week's production by company was: General Motors, 59.38 percent; Ford Motor Co., 20.60 percent; Chrysler Corp., 14.10 percent; American Motors, 3.14 percent; Volkswagen of America, 1.70 percent, and Honda, 1.08 percent.

Ford's Dearborn facility was the only plant which was not operating last week. It was closed for inventory adjustment.

Three GM plants returned to work last week after being down for inventory adjustment. The points which were back in action were Detroit, Van Nuys and Willow Run.

GM plants working last Saturday (Aug. 27) were: Fairfax, Flint, Lansing and Pontiac. All but Fairfax worked two shifts.

Canadian car output climbs on gains by GM and Ford

With the return to work of a Ford Motor Co. facility and production acceleration by General Motors, last week's Canadian car output soared 75.49 percent above the previous week's total, but was off 18 percent from the year-ago mark.

The car makers targeted 15,902 units last week, up from 9,062 the week before, and down from 19,391 in the year-ago period.

So far this year, 633,777 cars have been completed in Canada, up 8.66 percent from 583,275 built in the comparable 1982 period.

Last week's truck production was almost double that of the previous week. A GM plant returned to two shifts of production after one month of only one shift, and Ford's truck point was back to work after being closed the week before.

The truck manufacturers scheduled 11,783 units last week, up 84.06 percent from 6,402 the previous week, but down 2.47 percent from 12,081 trucks built in the year-ago period.

Year-to-date, 332,821 trucks have been built, down 2.60 percent from 341,698 at this time in 1982.

GM's Oshawa Plant No. 1 remained down last week and is slated to reopen at the beginning of September. GM's Oshawa truck facility is back to working two shifts, after a month of only one shift of production.

Ford's St. Thomas assembly point opened last week after being down for two weeks to begin tooling changes to add production of the full-size Crown Victoria and Grand Marquis to the Escort/Lynx subcompact cars already built there. Final changeover will be completed when St. Thomas closes again from Sept. 12 to Oct. 10.

Ford's Oakville truck facility returned to work last week after being down for a week because of a shortage of C-6 automatic transmissions.

Chrysler Corp.'s Windsor plant remained closed for retooling. It will begin producing the T-115 van/wagon in October.

American Motors' Brampton point was down last week for inventory adjustment.

Olds glows over outlook for sales of its diesels

LOS ANGELES.—In an effort to make diesels more attractive to California buyers, GM's Oldsmobile Division has cut the certification costs to the consumer to $99 from $215 on its 1984 model cars, Joseph Sanchez, general manager, told a press gathering here.

The costs of bringing diesel-powered cars up to California emission standards is rolled into prices and is not listed separately on window stickers.

For 1984, diesel Oldsmobiles sold in California are equipped with a new electronic emission control system that reduces exhaust emissions while maintaining driveability, Olds said.

A microprocessor monitors a variety of engine and vehicle functions and regulates such tasks as exhaust gas recirculation and torque converter clutch engagement.

The 5.7-liter V-8 diesel will not be available in California in 1984 because of emission standards.

Sanchez, who took over the reins at Oldsmobile last spring, said that if the price differential between gas and diesel power cars is reduced, diesel penetration will increase.

As a result of the five-cent-per-gallon increase in gasoline prices, a wider spread is developing between gasoline and diesel pump prices and that too will have a positive effect on diesel sales, he said.

• "We expect to see an increase in diesel penetration in 1984," he said. Sanchez predicted the number of diesels sold may double during 1984, from approximately 6 to 12 percent of the market.

He added that California has responded quite well to the 4.3-liter V-6 diesel powered Cutlass Ciera and that sales of these vehicles in the state outpaced the national average in the first quarter of 1983. The V-6 diesel is expected to be used in the new front-drive Olds 98, which according to Sanchez, will be introduced in the first quarter of 1984. Availability of the engine in what will be Olds' full-size model will further help diesel penetration in California, he said.

Overall, Oldsmobile has increased California sales from 6.0 to 7.2 percent of the market. Although the increase is the highest for any region in the U. S., according to Sanchez, it is still below the national figure of 11 percent. He said Oldsmobile will be counting on increased sales of its FWD product, such as Cutlass Ciera and Firenza to close the gap.

TRUCK PRODUCTION IN U. S.†

	Week Ended Aug. 27, 1983	Week Ended Aug. 28, 1982	Week Ended Aug. 20, 1983	Aug. to Date	Jan. 1 to Aug. 28, 1982	Jan. 1 to Aug. 27, 1983
CHEVROLET	15,717	8,769	13,067	54,343	458,063	514,789
DODGE	3,200	2,633	2,912	10,568	86,988	89,066
FORD	17,004	12,590	11,974	62,693	480,916	566,737
GMC	4,257	2,743	3,881	15,509	166,154	164,409
INTERNATIONAL	1,157	1,104	1,132	4,396	32,802	32,559
VOLKSWAGEN	.....	.....	.....	.....	8,103	2,079
JEEP	2,200	2,000*	2,129	7,965	57,123*	52,560
AM GENERAL	50*	50*	50*	200*	1,580*	1,630*
MISCELLANEOUS	1,000*	1,000*	1,000*	4,000*	38,000*	32,600*
Total Trucks, U. S.	44,585	30,889	36,145	159,674	1,329,229	1,456,429

CANADIAN TRUCK PRODUCTION

	Week Ended Aug. 27, 1983	Week Ended Aug. 28, 1982	Week Ended Aug. 20, 1983	Aug. to Date	Jan. 1 to Aug. 28, 1982	Jan. 1 to Aug. 27, 1983
CHRYSLER CORP.	2,652	2,600	2,199	8,731	68,352	81,534
FORD MOTOR	2,996	4,719	117	8,996	96,857	86,081
GENERAL MOTORS	6,010	4,497	3,980	14,231	168,801	161,552
INTERNATIONAL	125	265	106	365	7,688	3,654
Total Trucks, Canada	11,783	12,081	6,402	32,323	341,698	332,821
N. American Trucks	56,368	42,970	42,547	191,997	1,670,927	1,789,250

†—Now includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.

Truck output up as 3 Ford plants return to work

With three Ford Motor Co. facilities returning to work, last week's estimated domestic truck production rose 23.36 percent over the previous week's total.

Truck makers targeted last week's production at 44,585, up from 36,145 the week before, and 44.34 percent above 30,889 units built in the year-ago week.

Year-to-date, the makers have built 1,456,429 trucks, up 9.57 percent over the 1,329,229 completed in the 1982 period.

The Ford factories resuming production after a week of downtime due to a shortage of C-6 automatic transmissions were Kansas City, Norfolk and Twin Cities.

No overtime was reported.

U. S. CAR PRODUCTION

	Week Ended Aug. 27, 1983	Week Ended Aug. 28, 1982	Week Ended Aug. 20, 1983	Aug. to Date	Jan. 1 to Aug. 28, 1982	Jan. 1 to Aug. 27, 1983
AMERICAN MOTORS	4,350	2,456*	4,003	16,449	46,123*	115,018
AMC Total	.....	2,456*	.....	.....	46,123*	4,071
Concord	.....	.....	.....	.....	.....	3
Eagle	.....	.....	.....	.....	.....	4,068
Renault Total	4,350	.....	4,003	16,449	.....	110,947
Alliance	2,900	.....	2,588	10,955	.....	103,578
Encore	1,450	.....	1,415	5,494	.....	7,369
CHRYSLER CORP.	19,550	13,383	17,639	56,052	379,813	547,002
Plymouth Total	6,150	5,278	5,893	18,166	153,974	196,085
Horizon	2,200	1,930	2,577	7,110	48,060	70,827
Reliant	3,900	3,311	3,267	10,874	105,811	122,130
Caravelle ('83)	50	37	49	182	103	3,128
Chrysler Total	5,300	2,920	5,516	16,465	75,603	130,309
LeBaron	1,700	1,738	1,377	4,479	73,406	56,544
Laser	800	.....	1,127	2,572	.....	2,572
Chrysler E-Class	2,810	1,182	3,012	9,414	2,197	71,193
Dodge Total	8,100	5,185	6,230	21,421	150,236	220,608
Omni	3,700	1,682	2,216	7,986	45,271	80,815
Aries	2,600	2,369	2,373	7,964	80,827	90,313
Daytona	500	.....	488	1,349	.....	1,349
Dodge 400	.....	554	.....	.....	22,647	18,478
Dodge 600	1,300	580	1,153	4,122	1,491	29,653
FORD MOTOR	28,560	21,681	31,855	117,221	737,376	948,874
Ford Division	17,790	14,031	20,246	72,257	464,990	602,543
Escort	5,131	7,209	4,434	20,297	186,164	166,929
Fairmont	.....	2,951	.....	.....	85,712	23,728
Mustang	.....	2,776	3,075	4,814	84,640	72,292
LTD/Granada	3,333	.....	2,586	11,602	74,051	109,377
Thunderbird	3,913	908	3,995	11,586	29,556	123,850
Crown Victoria/Ford	1,889	.....	1,531	6,949	.....	59,735
EXP	.....	187	.....	.....	4,867	1,184
Tempo	3,524	.....	4,625	17,009	.....	45,448
L-M Division	10,770	7,650	11,609	44,964	272,386	346,331
Mercury Total	8,127	6,002	8,989	34,395	210,358	272,395
Lynx	1,519	2,091	1,441	7,508	59,310	48,354
Capri	.....	951	1,021	1,442	23,252	14,747
Zephyr	.....	929	.....	.....	28,577	8,601
Marquis/Cougar	1,634	.....	1,512	4,885	35,953	47,385
Cougar/XR7	2,266	515	2,373	10,724	10,540	78,079
Gr. Marquis/Marquis	1,745	1,459	1,401	5,398	51,537	61,953
LN7	.....	57	.....	.....	1,189	290
Topaz	963	.....	1,241	4,438	.....	13,399
Lincoln Total	2,643	1,648	2,620	10,569	62,028	73,936
Continental ('82)	.....	330	.....	.....	12,934	8,793
Lincoln	2,643	738	2,620	10,569	28,143	44,952
Mark VI	.....	580	.....	.....	20,951	20,191
GENERAL MOTORS	82,311	58,252	48,376	234,644	2,203,917	2,495,964
Buick Division	17,243	13,478	8,354	46,733	515,561	568,361
Skylark	2,975	3,448	.....	2,975	96,574	64,357
Skyhawk J	788	4	375	4,184	47,922	47,396
Century	3,480	1,138	824	6,563	88,932	102,323
Regal	4,780	4,032	3,841	17,510	140,422	162,384
Buick	4,140	3,698	2,216	11,787	118,039	160,537
Riviera	1,080	1,158	1,098	3,714	23,672	31,364
Cadillac Division	6,046	4,945	2,550	11,369	148,827	195,377
Cimarron	425	.....	234	896	3,691	12,983
Seville	700	489	777	2,252	13,509	22,310
Eldorado	1,375	1,247	1,539	4,675	36,608	49,043
Cadillac	3,546	3,209	.....	3,546	95,019	111,041
Chevrolet Division	27,203	19,113	15,554	80,513	711,905	816,563
Chevette	4,035	1,489	3,892	11,945	152,448	121,118
Cavalier	5,186	1,078	2,380	22,773	56,457	192,776
Celebrity	4,282	1,072	798	5,081	42,539	85,426
Camaro	4,310	5,516	1,711	8,589	158,001	126,185
Citation	1,670	3,030	1,663	5,308	124,372	66,258
Malibu/El Camino	660	2,179	497	5,619	83,049	98,362
Monte Carlo	2,805	2,390	1,897	9,615	47,848	64,374
Chevrolet	3,630	1,764	2,093	9,080	28,186	45,858
Corvette	625	595	623	2,485	19,005	16,206
Oldsmobile Division	22,203	17,042	16,638	67,277	505,037	657,074
Omega	1,671	1,564	.....	1,671	58,449	37,940
Firenza	400	.....	195	2,234	34,011	30,611
Cutlass	8,465	5,197	6,217	22,630	129,557	193,179
Cutlass/Ciera	4,020	3,698	4,324	14,790	79,832	132,186
Oldsmobile	6,802	5,893	5,037	23,072	182,357	236,494
Toronado	845	690	865	2,880	20,831	26,664
Pontiac Division	9,616	3,674	5,280	28,752	322,587	258,589
Acadian†	.....	.....	137	4,784	8,353	15,237
2000	2,239	945	.....	4,657	28,440	65,693
1000	1,025	6	1,146	4,119	27,307	30,012
Firebird	2,792	.....	1,122	4,761	96,709	61,554
Phoenix	500	1,018	544	1,584	35,458	17,849
G. Prix/B'ville ('83)	1,880	1,242	1,878	7,214	100,998	66,611
Parisienne	1,180	.....	453	1,633	.....	1,633
6000	.....	463	.....	.....	25,322	.....
HONDA	1,500	.....	1,177	5,644	.....	28,256
VOLKSWAGEN	2,350	.....	2,315	8,899	60,121	58,236
CHECKER	.....	.....	.....	.....	2,163*	.....
Total Cars, U. S.	138,621	95,772	105,365	438,909	3,429,513	4,193,350

CANADIAN CAR PRODUCTION

	Week Ended Aug. 27, 1983	Week Ended Aug. 28, 1982	Week Ended Aug. 20, 1983	Aug. to Date	Jan. 1 to Aug. 28, 1982	Jan. 1 to Aug. 27, 1983
AMERICAN MOTORS	.....	1,213	606	1,812	21,174	18,369
CHRYSLER CORP.	.....	3,511	.....	.....	110,436	103,857
FORD MOTOR	9,131	8,369	5,344	28,134	203,697	158,970
GENERAL MOTORS	6,496	6,118	2,837	16,221	241,427	346,096
VOLVO	275	180	275	550	6,541	6,485
Total Cars, Canada	15,902	19,391	9,062	46,717	583,275	633,777
N. American Cars	154,523	115,163	114,427	485,626	4,012,788	4,827,127
N. American Trucks	56,368	42,970	42,547	191,997	1,670,927	1,789,250
North American Cars and Trucks	210,891	158,133	156,974	677,623	5,683,715	6,616,377

†—All Acadians and Caravelles are built for sale in Canada. *—Estimated.

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Automotive News

September 5, 1983

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Optimism high among dealers, NADA reports

WASHINGTON. — Expectations of America's franchised new-car and truck dealers are at their highest levels since NADA began its quarterly surveys of member dealers eight years ago.

The NADA Optimism Index portrays dealers as "exuding optimism" for the remaining months of 1983.

The 1983 second-quarter Optimism Index exceeded the first quarter for the first time since 1980. NADA measured a jump of nearly 80 index points from the first quarter, bringing the index to 176.

As a result of its findings, NADA continues to stand by its 1983 sales prediction of 11.7 million new vehicles (cars and trucks); 1982 vehicle sales registered 10.5 million.

"Not only is the index reflecting current strength of the new and used-car vehicle sales rates, but it indicates a market strength well into 1984," said Jay Ferron, executive director of the NADA Industry Analysis and Dealership Operations Group.

"The market analysis results indicate dealers are interpreting positive statements they hear from buyers and potential buyers."

• According to NADA, franchised new-car and truck dealers displayed "remarkable business acumen" in predicting the turbulent economies of 1981 and 1982.

The indices of those years indicate dealers correctly predicted the sales slump, while industry analysts predicted upturns in the automotive market. Consequently, NADA places great emphasis on the validity of the index in determining the true market.

The current reading stirs hopes that better days lie ahead.

The index is computed from responses to the following question, which is included on every Quarterly Survey:

"On a scale of one to five, with "1" representing substantial decline and "5" substantial improvement, indicate what you expect for the next 12 months in regard to your dealership's total profits before taxes."

The sum of weighted responses "1" and "2" is subtracted from the sum of weighted responses "4" and "5". This number is then added to 100 to give the index value.

The index was as its lowest in 1980. After leveling from the middle of 1980 to early 1982, it moved steadily upwards to reach thi

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GM looks East

Suzuki, Isuzu small cars bow in '85

GM will bolster its small-car lineup for the '85 model year by adding two front-drive Japanese-made cars. The Suzuki hatchback, above, codenamed the M-body, will debut in the summer of '84 as an exclusive Chevrolet offering. The minicar rides on a wheelbase of 88 inches, will be about 141 inches long and could weigh under 1,500 pounds. It has a 1-liter three-cylinder engine. Price is expected to be under $5,000. GM will import up to 100,000 units. Both Chevrolet and Pontiac dealers will sell the Isuzu R-body subcompact, available as a two-door hatchback and a four-door sedan (below, as a Chevy). It bows in the fall of '84 and may be priced about $6,000. It will be powered by a 1.5-liter four-cylinder engine. GM will import about 200,000 Isuzus the first year.

Jim Dunne photos

Passive restraint delayed for year; more action due

By Helen Kahn
Washington Bureau Chief

WASHINGTON.—Just in the legal nick of time, the Transportation Department suspended for one year the passive restraint standard that had been scheduled to become effective Sept. 1, 1983.

The announcement, made less than 24 hours ahead, was only to "preclude any possibility that manufacturers might be in technical violation of a requirement that, as a practical matter, could not be met."

DOT General Counsel Jim Burnley also announced that a notice of proposed rulemaking would be issued by Oct. 15, but he stressed that although no decision has yet been made on the form the proposed rule would take, action will occur before the end of the one-year suspension.

DOT's total quiescence so far is apparently explainable because of delay in getting the official remand from the District of Columbia Appellate Court through which the U. S. Supreme Court had to funnel the remand it ordered when on June 1 it also ruled that NHTSA's rescission of the standard was arbitrary and capricious.

On Aug. 4, 1982, the Circuit Court suspended the standard from its original effective date for '83 models for a year until 1984 models to allow time for litigation.

But the DOT move in no way indicates what direction the government might take in the future. It could revise the standard, reissue it, or again rescind it for due cause.

But it cannot again use the reasoning that the auto makers were going to use passive belts which buyers would detach, thus making them no more effective than ordinary manual belts. That was the assertion of former NHTSA head Raymond A. Peck when he rescinded the standard on Oct. 29, 1981. That argument was one of the major flaws which led the U. S. Supreme Court to rescind Peck's rescission.

• Precisely what effect this has on General Motors' request for an independent analysis of the cost/benefit ratio for passive restraints and particularly the air-bag system is not clear.

The area is especially murky because of differences among companies in the industry, Ford's desire to sell more than the 5,000-car fleet of driver-only air-bagged cars to the government and perhaps to an even broader segment and some limited use of air-bagged vehicles as options by both Mercedes-Benz and BMW.

GM is urging the government to retain one—"or preferably two" — private consulting firms to advise it on what to do with

Continued on Page 44, Col. 1

Selling at '$49 over' in rural Minnesota

Case study: How to make money, lose friends

By Richard A. Wright
Assistant Managing Editor

LAKE CITY, Minn. — John Peterson Motors sells all five General Motors car lines in this small town on the scenic banks of a wide section of the Mississippi River, but his facility doesn't look much like a dealership.

And other dealers in the Minneapolis-St. Paul and Rochester areas don't think much of John Peterson Motors. Neither, apparently, do Oldsmobile and Cadillac sales people in the zone office and back at headquarters.

After a couple of losing years after taking over the Lake City dealership, Peterson is now turning a profit. And it is doing it in part by taking sales from the Minneapolis-St. Paul area, a little over an hour's drive to the [illegible] an hour to the southwest.

But that's not why the dealers are mad at 28-year-old John Peterson, son of longtime Minneapolis dealer Don Peterson and a third-generation auto man. They don't like him taking sales from their areas, of course, but what particularly incenses them is the way he does it.

There are no cars in Peterson's showroom. It has been divided into sales offices. There are only two cars on his used-car lot. There are five cars outside the dealership waiting to be delivered.

And the most eye-catching thing about the facility is a large sign on the side of the building which the motorist sees on the way in from Minneapolis that says: $49 over factory invoice."

• Peterson became a $49-over dealer March 1 and since that time his business has turned around dramatically. Losses plummeted. After two months on the $49-over approach, he showed a profit.

"It took a while to show a profit because I had to sell off the inventory I had and there were floor-plan costs," he said. "But now, things are going great!"

In July, the dealership posted a net profit of $27,000, more than its loss for last year. Sales have jumped from 15 or 20 a month to around 200 a month.

The factory is pleased with this turnaround, right? Not entirely, Peterson says. "I've lost a lot of sales because cars I've ordered never got built," he said.

Why isn't the factory happy? The answer to that question is more complicated. In fact, a curious split personality in General Motors shows up. Buick builds all the cars Peterson or-

Continued on Page 42, Col. 1

breaking news

Chrysler may offer Maserati-built Pantera

SAN DIEGO.—A redesigned Pantera, built by de Tomaso's Maserati works in Italy, may be sold in the U. S. as early as 1986 by Chrysler. The new car would remain mid-engine and use a two-stage turbocharged 2.2-liter, four-cylinder engine. About 7,000 would be sold annually in the U. S. in a price range comparable to Chevrolet's Corvette.

Subaru profits up 26 percent

PENNSAUKEN, N. J.—Subaru of America increased its third-quarter earnings 26 percent, to $13.31 million ($2.19 a share) on sales of $246.99 million, which were down 3 percent

See BREAKING NEWS, Page 8, Col. 1

Transmission complexities simplified

New Isuzu automatic based on 5-speed box

By John Hartley
Staff Correspondent

TOKYO. — More details have become available on the new but simple automatic transaxle developed by Isuzu (AUTOMOTIVE NEWS, Aug. 8).

The days of the torque converter appear numbered, for Isuzu's new unit is based entirely on a conventional manual box.

Gone is the torque converter, hydraulic pump, epicyclic gears and complex control valves. Replacing them are a normal clutch and synchromesh gearbox with the addition of an electronic control unit and some actuators to operate the clutch and to shift gears.

Still under wraps, the new five-speed transaxle is due to bow in October when Isuzu makes some minor changes to the Aska, its J-car.

Isuzu engineers decided that the answer to a fuel-efficient automatic was to combine a manual five-speed transaxle with an automatic gearshifting system to match the performance of the "best driver."

It enlisted the aid of Fujitsu, the big computer company, to produce an electronic controller, and Diesel Kiki, a maker of diesel injection equipment, to produce the hydraulic actuators.

• When the driver depresses the accelerator to move off, the controller modulates the flow of oil to the clutch actuator and a smooth take-up is assured. Then, the controller instructs another hydraulic actuator to shift gears as necessary.

This basic concept is not new, as there have been several other attempts, especially in Europe, to produce a transmission of this type.

Most recently, both Automotive Products in the UK, and Porsche in Germany have devised automatic transmissions based on conventional gearboxes. However, both those designs used a pair of clutches to smooth shifts.

Fuji Heavy Industries uses a semi-automatic transmission on its tiny Subaru Rex which is a halfway house to the Isuzu design. It uses an electronically controlled actuator to operate the clutch, the driver being required to change gears manually. This system works very well.

If Isuzu can produce a system that gives really smooth shifts — and this is not easy — then it could be on to a winner. Apart from the controls, the transaxle is exactly the same as the manual unit, so capital investment is minimal.

In addition, GM, which already buys the manual unit for use on its J-cars in Europe and Australia, is also likely to use the unit. Cost is expected to be about the same amount as a normal automatic.

5-year financing introduced by Alabama bank

BIRMINGHAM, Ala. — The Central Bank of the South, seeking to make monthly payments lower, has introduced a five-year financing plan.

The plan is being made available to qualified borrowers who buy a new car with a sticker price of $12,500 or more.

The buyer must make the standard downpayment of 15 to 20 percent. The actual take-out price can be below the $12,500 sticker price.

The plan is being offered at all Central Bank branches throughout the state, according to Jim Price, senior vice president.

One of the features of the plan is that the rate is on an adjustable basis. The rate can be increased or lowered every six months, but the amount of the monthly payments will not vary.

The contract on the five-year basis has a base rate of 12.75 annual percent.

Under this plan a new $10,000 loan financed through Central would require a monthly payment of roughly $226.75.

Compared with the conventional 48-month new car loan at 12.5 percent it would put monthly payments at about $265.80. Monthly payments on a 36-month deal at 13.5 would mean an average monthly payment would be in the range of $339.35.

Prince said the bank is breaking with the traditional shorter-term basis even though it means less collateral value of cars.

"Although Central Bank is concerned with the collateral value, we are more concerned with the credit rating of the individual borrower," he said.

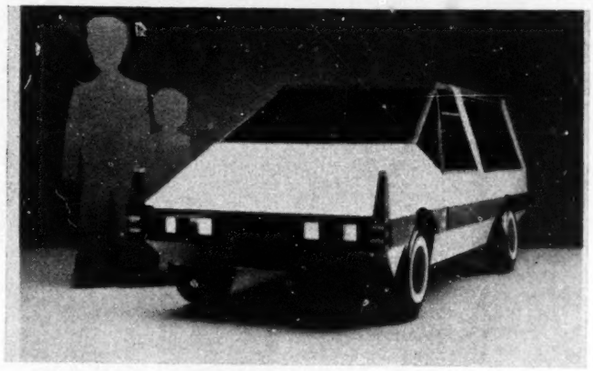
13,800 Corvettes recalled for two underhood fixes

WARREN, Mich. — Chevrolet has recalled 13,800 of its '84 Corvettes to modify two items in the engine compartment.

Power steering pump pulleys will be changed on all of the cars, and a battery cable on 12,000 of them will receive a new plastic insulator.

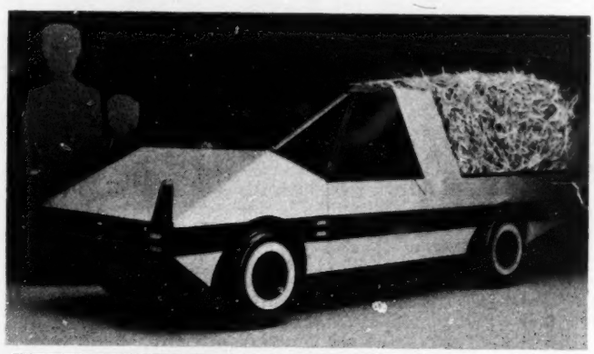
Chevrolet said it has received a few reports of cracked pulleys and battery pulleys with chafed insulation. The division said there have been no reports of accidents or injuries due to either condition.

This is the second Corvette recall since the '84 model was introduced nationally in April. The earlier one, in June, involved 10,000 models which were recalled for replacement of bolts holding front-wheel brake assemblies.



Logicar is convertible

This car converts into a pickup without removing any parts. They fold and telescope, says Danish designer Jakob Jensen. Logicar will be shown at the AUTO-teknik 1983 motor trade fair in Copenhagen, Oct. 13-16. There are no plans for production.



Ford extends warranty on power steering

DEARBORN. — Ford Motor Co. in early October will notify owners of about 900,000 of its 1978 through early 1983 cars of an extended warranty on power rack and pinion steering systems.

The warranty will be for five years or 50,000 miles. It results from cold-weather problems.

Ford said a small percentage of customers with cars with power rack and pinion steering may experience a temporary loss in power assist upon cold start-up.

Premature wear of the inner surface of the steering system's housing causes difficulty in turning the steering wheel, Ford said.

A new seal introduced early in the 1983 model year appears to have taken care of the problem, the company said.

The extended warranty applies to some 1978 through 1983 Fairmont, Mustang, Thunderbird, Granada, LTD, Zephyr, Capri, Cougar, Cougar XR-7, Marquis and Continental models.

Some 600,000 cars in Northern states will be covered and an additional 300,000 cars in Canada will be under the lengthened warranty.

Ford said it can make repairs for about $200 per car using rebuilt parts.

Foreigners control 40 pct. of car market, Eckes says

Factors influencing trade analyzed

By Geoff Sundstrom
Washington Reporter

WASHINGTON. — A strong dollar overseas may be overstated as a competitive advantage to foreign car importers, the chairman of the U. S. International Trade Commission has indicated.

Announcing the findings of a new commission report on exchange rates, ITC Chairman Alfred E. Eckes said last week, "there is often very little correlation between exchange rate fluctuations and bilateral trade balances."

Other factors may be equally important in influencing the sale of U. S. goods abroad and the importation of goods here, Eckes said. These include changes in competitors' prices, product demand, local production and manufacturing costs, the commission's new report suggests.

Eckes, who formerly taught economic history at Ohio State University, said the report indicated there is "some truth" to the belief that high real interest rates and an overvalued dollar are temporary problems.

"However, we should not conclude that when the dollar falls, our trade deficit will vanish," he said. "In fact, there is now reason to question conventional wisdom that exchange rates alone dictate trade flows.

• "Our economists at the commission tell me that each $1 billion change in the trade balance affects 25,000 jobs. Thus, a little math shows an increase in the deficit of $60 billion could mean 1.5 million lost job opportunities for American workers," he said.

Eckes said, "Over the last year there has been a 30-percent increase in imports of motor-vehicle parts and accessories and a 38-percent increase in imports of motor vehicle engines and parts."

He said 40 percent of the domestic car market is now controlled by foreign car builders, where Canadian imports are included.

"A decline in the dollar will undoubtedly provide some relief to beleaguered American industry," he continued, "but a falling dollar will not end the import challenge."

Speaking from personal observations and not on behalf of other commissioners, Eckes told his National Press Club audience, "Many domestic industries have petitioned for duties to offset foreign unfair trade practices. But in some instances I sense what they actually need is not simply a level playing field but temporary shelter from all forms of import competition to restructure and retool."

• A so-called "level playing field," or special taxes and tariffs to offset foreign exchange-rate differences and tax differentials, has been the plea of some American auto industry executives. A week ago, Ford Motor Co. Chairman Philip Caldwell indicated currency dif-

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GM names Bagshaw sales chief in Europe

By Richard Feast
European Editor

RUSSELSHEIM, West Germany. — John G. Bagshaw has replaced John O. Grettenberger as General Motors' top salesman in Europe.

The surprise move, effective Sept. 1, sees Bagshaw, 58, move from director, passenger-car operations at Vauxhall Motors in the UK to executive director, sales, service and parts, at Adam Opel in West Germany. The position carries overall responsibility for European coordination.

Grettenberger, 46, is moving to the U. S. to Oldsmobile as director of product, business and strategic planning. He had been at Opel since February, 1980.

The changes occur at a time when GM's standing in the European sales race has never been higher.

It sold a record 662,500 cars in the first half of this year, a market share of 11.5 percent and an increase of a quarter over the same period one year earlier.

Overall, the European passenger-car market was up 5 percent to 5.755 million in the same period.

Bagshaw joined Vauxhall in March, 1981, having previously worked at Pontiac and GM-Holden's. At the time GM's UK market share was 8 percent. Bagshaw said it would double by 1985.

He leaves with GM on 14.5 percent, well ahead of what were considered optimistic forecasts.

Bagshaw is an Australian. He is married and has one daughter. He served in the royal Australian navy and continues a strong love of sailing.

No successor at Vauxhall has so far been named.

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